



DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
WASHINGTON, DC 20227

March 13, 2008

Paul Christofferson
Administrator
State of Montana
125 Roberts Street
Mitchell Building - Room 255
Helena, MT 59620

Dear Mr. Christofferson:

This letter is to advise you that the Financial Management Service (FMS) has reviewed your Annual Report for Fiscal Year 2007 which was provided under the provisions of the Cash Management Improvement Act (CMIA) of 1990 (P.L. 101-453).

Under 31 CFR 205.28 of the Department of the Treasury, Fiscal Service Regulations, FMS is required to determine CMIA Federal/State net interest liabilities, evaluate Interest Calculation Cost claims, and exchange net interest no later than March 31st of each year. Based on the information provided in your Annual Report, **your State has a net State interest liability of \$21,950 due to the Federal government.** Enclosed with this letter is a statement of the net interest liability calculation (*see the CMIA Annual Report - Part C - Net Interest Calculation*) that includes the approved \$12,323 Interest Calculation Cost amount. An attachment is included with the Part C if any Federal interest liabilities were denied.

The net State interest liability payment to the Federal government must be processed for settlement on March 31, 2008. The State's net interest liability should be paid using either the Automated Clearing House (ACH) Network or Fedwire (see our payment instructions provided to you in our March 03, 2008 letter). FMS will do the accounting transactions to make net adjustments for all trust fund programs.

In the event that you disagree with our determinations, please contact us immediately so that we may address any disagreement. If this informal review is not satisfactory, you may dispute our determination under the provisions of 31 CFR 205.31. In order to support an appeal, it is essential that you provide the documentation that we requested in our November 7, 2007 letter.

Thank you for your cooperation in this important partnership to ensure efficiency, effectiveness and equity in the cash management of Federal grant payments. If you have any questions, please do not hesitate to contact Mr. Kerry Neal at 202-874-6555, or me at (202) 874-6751.

Sincerely,

Victor Poore
CMIA Program Manager
Office of the Director of Operations
Federal Finance

Enclosure

CASH MANAGEMENT IMPROVEMENT ACT OF 1990

PART - C NET INTEREST CALCULATION

Wednesday, March 19, 2008

1. STATE Montana	2. STATE FISCAL YEAR COVERED From: 7/1/2006 To: 6/30/2007	3. PAGE Page 1 of 2
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I. SUMMARY OF INTEREST LIABILITIES AND APPROVED INTEREST CALCULATION COST*

Fund		State Liabilities	Federal Liabilities
Non-Trust Fund Program Reporting:		\$47,340	\$32,807
Unemployment Insurance -- Federal Benefit Account and Administrative Costs	17.225F	(\$331)	\$2,263
Unemployment Insurance -- State Benefit Account	17.225S	\$16	\$0
Highway Planning and Construction	20.205	\$22,318	\$0
Sub-Totals:		\$69,343	\$35,070
Approved Interest Calculation Cost*		\$12,323	
Net Payment Due:		\$21,950	\$0

*Approved Interest Calculation Cost Reimbursement as determined by FMS

II. SUPPORTING INTEREST LIABILITY DETAIL

A. NON-TRUST FUND PROGRAM REPORTING

Total Approved State Interest Liability (including prior year adjustment)	\$47,340
Total Approved Federal Interest Liability (including prior year adjustment)	\$32,807
Approved Interest Calculation Cost Reimbursement	\$12,323
Net Federal Interest Payment	\$0
Net State Interest Payment	\$2,210

B. DENIED LIABILITIES

Total Interest Liability Denied	\$186,115
Denied Interest Calculation Cost Reimbursement	\$0

(See Attached Explanation)

C. TRUST FUND REPORTING

Title of Trust Fund	Unemployment Insurance -- Federal Benefit Account and Administrative Costs	17.225F
Total State Interest Liability	(\$331)	
Total Federal Interest Liability	\$2,263	
Net Interest Payment from Trust Fund	\$2,594	
Net Interest Payment to Trust Fund	\$0	

CASH MANAGEMENT IMPROVEMENT ACT OF 1990

PART - C NET INTEREST CALCULATION

Wednesday, March 19, 2008

1. STATE	2. STATE FISCAL YEAR COVERED	3. PAGE
Montana	From: 7/1/2006 To: 6/30/2007	Page 2 of 2

Title of Trust Fund	Unemployment Insurance -- State Benefit Account	17.225S
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Total State Interest Liability	\$16
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$16

Title of Trust Fund	Highway Planning and Construction	20.205
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Total State Interest Liability	\$22,318
Total Federal Interest Liability	\$0
Net Interest Payment from Trust Fund	\$0
Net Interest Payment to Trust Fund	\$22,318

III. CERTIFICATION

"This Net Interest Calculation has been prepared by the U.S. Department of the Treasury, Financial Management Service based on the State's Annual Report. These calculations have been made in accordance with the implementing regulations of the Cash Management Improvement Act of 1990 (31 CFR Part 205)."

Signature

Date

M. Victor Poore
CMIA Program Manager
Office of the Director of Operations
Federal Finance

CMIAS Worksheet

State: Montana

FY: July 1st 2006 to June 30th 2007

CFDA	State Interest Liability (Refunds)	Current State Interest Liability (Claimed)	Prior Period State Interest Liability (Claimed)	Current Federal Interest Liability (Claimed)	Prior Period Federal Interest Liability (Claimed)	Net Interest Liability (Claimed)	Denial	State Interest Liability (Approved)	Federal Interest Liability (Approved)	Net State Interest Liability
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Non-Trust

10.551	0	0	0	98	0	-98	0	0	98	-98
10.555	0	904	0	534	0	370	0	904	534	370
10.557	0	5530	0	3171	760	1599	0	5530	3931	1599
12.400	0	0	0	4878	0	-4878	0	0	4878	-4878
12.401	0	110	0	9215	0	-9105	0	110	9215	-9105
14.195	0	436	0	2184	0	-1748	0	436	2184	-1748
14.871	0	22322	0	189	0	22133	0	22322	189	22133
84.010	0	458	0	514	0	-56	0	458	514	-56
84.027	0	1011	0	438	0	573	0	1011	438	573
84.126	0	151	0	62	0	89	0	151	62	89
84.367	0	44	0	155	0	-111	0	44	155	-111
93.283	0	112	0	313	-12	-189	0	112	301	-189
93.558	0	5199	0	2961	0	2238	0	5199	2961	2238
93.568	0	1360	0	269	0	1091	0	1360	269	1091
93.575	0	1945	0	53	0	1892	0	1945	53	1892
93.658	0	1372	0	1572	0	-200	0	1372	1572	-200
93.767	0	11	0	7	0	4	0	11	7	4
93.778	0	4335	0	4987	0	-652	0	4335	4987	-652
97.004	0	2040	0	459	0	1581	0	2040	459	1581

Summary for Montana (19 detail records) Non-Trust

Sum	0	47340	0	32059	748	14533	0	47340	32807	14533
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Trust

17.225F	0	83	-414	1711	552	-2594	0	-331	2263	-2594
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CMIAS Worksheet

State: Montana

FY: July 1st 2006 to June 30th 2007

CFDA	State Interest Liability (Refunds)	Current State Interest Liability (Claimed)	Prior Period State Interest Liability (Claimed)	Current Federal Interest Liability (Claimed)	Prior Period Federal Interest Liability (Claimed)	Net Interest Liability (Claimed)	Denial	State Interest Liability (Approved)	Federal Interest Liability (Approved)	Net State Interest Liability
17.225S	0	16	0	0	0	16	0	16	0	16
20.205	0	22318	0	186115	0	-163797	186115	22318	0	22318

Summary for Montana (3 detail records) Trust

Sum	0	22417	-414	187826	552	-166375	186115	22003	2263	19740
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Summary for Montana (22 detail records)

Sum	0	69757	-414	219885	1300	-151842	186115	69343	35070	34273
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Financial Program Specialist

Office of the Director of Operations

Federal Finance

Date Signed